



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES AGREEMENT REACHED IN MISSOURI-AMERICAN WATER COMPANY WATER AND SEWER RATE CASES

Jefferson City (April 6, 2004)---The Missouri Public Service Commission has approved an agreement which keeps the annual water and sewer revenues of the Missouri-American Water Company at their current levels in eight of its nine districts. Under the agreement, annual water revenues will drop in Missouri-American's Joplin District. The Commission's order takes effect on April 16, 2004.

When the Missouri-American Water Company filed its rate requests with the Missouri Public Service Commission on May 19, 2003, it sought to increase annual water revenues by approximately \$20 million and sewer revenues by approximately \$1,600 a year in its Parkville District.

Under the agreement, annual water revenues in the Company's Brunswick, Jefferson City, Mexico, Parkville, St. Charles, St. Joseph, St. Louis County and Warrensburg Districts will remain at their current levels. Annual water revenues will drop by approximately \$350,000 in the Company's Joplin District. While the total revenue generated in a specific district may not change or drop, rates for specific classes of customers (such as residential, commercial or industrial) may increase or decrease based upon rate design issues agreed to by various parties in this case. The agreement would not change sewer rates for approximately 100 Parkville District sewer customers.

The impact of the agreement on a typical residential customer in each of the Company's nine districts appears below:

<u>District</u>	<u>Average Usage per Month</u>	<u>Bill Based on Current Rates</u>	<u>Bill Based on Agreement Approved</u>
Brunswick	3,900 gallons	\$21.64	\$22.19
Jefferson City	5,000 gallons	\$20.55	\$20.55
Mexico	4,500 gallons	\$23.13	\$23.55
Parkville (Water)	8,700 gallons	\$37.26	\$38.03
St. Charles	8,200 gallons	\$22.58	\$22.58
St. Louis County	8,400 gallons	\$23.23	\$23.23
St. Joseph	5,100 gallons	\$21.76	\$22.90
Joplin	6,000 gallons	\$17.30	\$16.77
Warrensburg	5,500 gallons	\$18.80	\$19.00
Parkville (Sewer-Flat Rate)		\$40.94	\$40.94

(More)

Under the agreement, there will be a rate moratorium until at least December 31, 2005. In addition, Missouri-American Water Company will spend, in its St. Louis County District, a minimum of \$12 million in infrastructure replacements in calendar year 2004, \$18 million in calendar year 2005 and \$25 million in calendar year 2006. The agreement also calls for the current infrastructure system replacement surcharge (ISRS) for St. Louis County District customers to be reset to zero effective April 16, 2004. In addition, the Company has agreed not to request an ISRS surcharge for its St. Louis County District prior to December 16, 2005.

Missouri-American Water Company serves approximately 413,580 water customers in its nine districts.

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Case No. WR-2003-0500